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TESTIMONY OF ENE (ENVIRONMENT NORTHEAST) TO THE ENERGY AND TECHNOLOGY COMMITTEE

S.B. No. 6544 (RAISED) AN ACT CONCERNING ENERGY EFFICIENCY

March 8, 2011

Good afternoon Senator Fonfara, Representative Nardello and members of the committee. My name is Jamie Howland and I am a Policy Analyst for ENE (Environment Northeast), a non-profit research and advocacy organization that focuses on energy, air quality and climate change solutions for New England and Eastern Canada. ENE appreciates the opportunity to provide testimony to the Energy and Technology Committee on *S.B. No. 6544 (RAISED) AN ACT CONCERNING ENERGY EFFICIENCY*.

ENE strongly supports the provisions of Sections 1 and 2, which would require building energy rating and disclosure. This is an issue of fairness for consumers. Buying a house or renting an apartment is currently like buying a car with no window sticker to inform the buyer of the expected gas mileage. Consumers have a right to know the efficiency of a home or office building before making a purchase or entering into a lease. Without building energy rating and disclosure, economic markets for buildings do not function efficiently. Requiring ratings allows the market to properly value the energy performance of a building. Preference should be given to the current federal rating and labeling system under development.

ENE recommends that the regulations be developed with the consultation of the Energy Conservation Management Board, which has substantial expertise in the area of building energy performance, in order to maximize coordination between building ratings and programs to encourage efficiency upgrades in buildings.

With regard to section 4, ENE does not believe responsibility for conducting evaluation of Efficiency Fund programs should be moved to the Department of Public Utility Control. The Energy Conservation Management Board (ECMB) currently has an independent and thorough evaluation process in place, a process that has been significantly designed in response to DPUC orders. The ECMB's evaluation consultant is a nationally recognized and respected expert in her field. The ECMB evaluation committee, which does not and may not have utility company members, currently has members that represent the Office of Consumer Counsel, Manufacturing Alliance of Connecticut, Connecticut Legal Services, the Connecticut Department of Environmental Protection, and ENE.

ENE is supportive of the provision in Section 5, which allows municipalities to require new buildings to meet Energy Star standards. It is important that towns and cities have an option available to require more efficient buildings at their discretion. ENE suggests that a residential standard similar to the one adopted in Massachusetts, which is based on a Home Energy Rating System (HERS) rating, a system also used by Energy Star, might be more effective because it

requires higher standards for larger homes and would potentially avoid federal preemption issues with heating system requirements.

ENE believes the provisions in Section 6 to establish a standardized state and municipal energy performance contracting (EPC) process would significantly increase efficiency investments in state and municipal buildings with no additional up-front costs to taxpayers. According to information from the Commission on Enhancing Agency Outcomes, Connecticut's energy bill for State buildings has grown almost 60% in the past three years to over \$200 million per year. EPC's will help the State, as well as municipalities, bring down these energy bills by improving the efficiency of buildings. EPC's will also promote deeper savings because quick payback measures can be bundled with measures that deliver savings over a longer timeframe.

ENE views the changes to the Green Connecticut Loan Guaranty Fund program in Section 7 as improvements that will help this program effectively deliver loan funds for clean and efficient energy investments. Adding the integration and consultation of the Clean Energy Fund (CCFEF) and the Energy Efficiency Fund (CEEF) will lead to integrated programs that maximize benefits. Some of the provisions in the new subsection (e) appear to be in conflict with those in the existing subsection (d), warranting further clarification. In addition, while it appears to be the intention that this program will support loans for improvements that will reduce the consumption of unregulated heating oil and propane fuels, in addition to those for electricity and natural gas, it is not explicitly stated.

It appears that this program may allow the inclusion of technologies and vendors beyond those that are offered by CCFE and CEEF. ENE cautions that elements that are not contained within those programs will not be subject to the rigorous evaluation and quality assurance procedures used by the two funds. Any efficiency improvements funded by the loan program that are not part of CCFE or CEEF should include a requirement for independent evaluation and quality assurance. Funding for providing this should be included as part of the loan value.

Thank you for the opportunity to testify.

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